



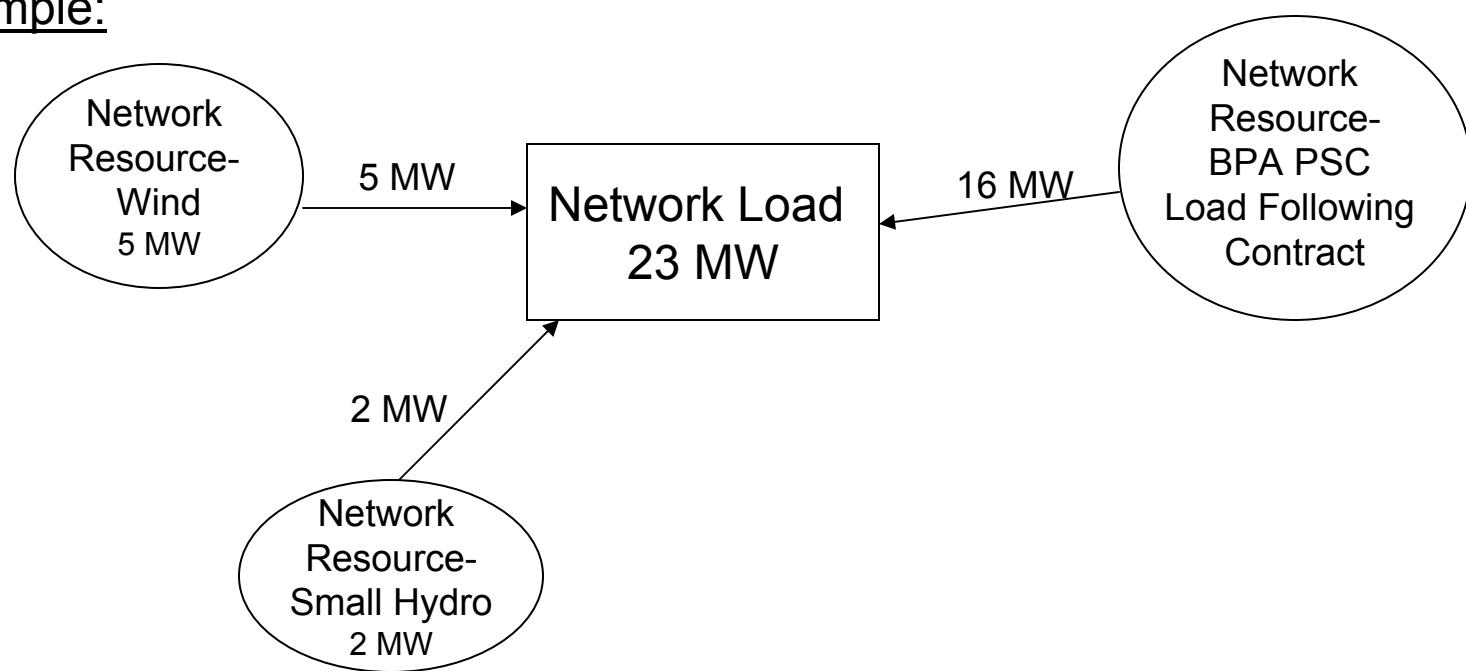
Network Integration Service

June 20, 2006

What is Network Integration Service?

- NT service allows a customer to be served by multiple resources that can be economically dispatched to meet its Network Load under one transmission contract and pay for use of the system based on its Network Load.

Example:



What are BPA's responsibilities?

- Plan, construct, operate and maintain the Federal Columbia River Transmission System to provide transmission service from an NT customer's designated Network Resources to its Network Load.
 - Includes load growth in accordance with Good Utility Practice.
 - Good Utility Practice describes practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry.

What are the customer's responsibilities?

- The customer agrees to redispatch its Network Resources as requested by BPA during times of transmission reliability constraints.
- The customer shall provide BPA as much advance notice as possible when adding, changing, or deleting Network Loads and Network Resources.
- The customer is responsible with providing BPA with annual updates of its 10-year Network Load and Network Resource forecasts.
- The customer must notify BPA of any material changes to its transmission system which may affect BPA's ability to provide reliable service.

What is a Network Resource?

- Resources that are owned, purchased or leased by a NT customer to serve Network Load are eligible to be designated as Network Resources.
- A Network Resource is a resource dedicated to serve Network Load.

Will transmission always be available to serve load under NT service?

- The NT agreement provides for the redispatch of Network Resources in order to continue to serve Network Loads. In the unlikely event redispatch cannot resolve the problem, transmission service will be curtailed.

Does NT service cover the delivery of **any** resource to load?

- NT service allows for the delivery of designated Network Resources (those resources listed in the NT contract) to load on a **firm** basis.
- In addition to the firm rights provided for Network Resources, a customer may serve Network Load by requesting to use secondary service to deliver a resource that is not designated as a Network Resource.
 - BPA will provide this secondary service on an as-available basis at no additional charge.
 - The secondary service has a higher priority than non-firm point-to-point transmission (meaning it will be curtailed after non-firm point-to-point transmission).

Network Resources today

- BPA first began offering NT service in 1996.
- Most NT customers have a “BPA Power Sales Contract” Network Resource to serve the majority of, and in many instances all of, their NT load.
- We have had little experience in customers making modifications to their NT service contracts.
- In the next five years we expect to see more resources expiring and customers having to request to add replacement resources.